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and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA**

In re:

TELEXFREE, LLC,

☐ Affects this Debtor

☒ Affects all Debtors

☐ Affects TELEXFREE, INC.

☐ Affects TELEXFREE FINANCIAL, INC

Case No.: BK-S-14-12524-abl
Chapter 11

[PROPOSED]

Jointly Administered with:

14-12525-abl TelexFree, Inc.
14-12526-abl TelexFree Financial, Inc

Date: OST REQUESTED
Time: OST REQUESTED

**DECLARATION OF EVAN J. GERSHBEIN IN SUPPORT OF EMERGENCY
APPLICATION FOR ORDER AUTHORIZING THE EMPLOYMENT OF KURTZMAN
CARSON CONSULTANTS LLC AS CLAIMS AND NOTICING AGENT FOR
DEBTORS**

I, Evan J. Gershbein, hereby declare as follows:

1. I am over the age of 18 and am mentally competent. I make this declaration in support of the *Emergency Application for Order Authorizing the Employment of Kurtzman Carson Consultants LLC as Claims and Noticing Agent for Debtors* (the “**Application**”).¹

2. I am the Vice President of Corporate Restructuring Services at Kurtzman Carson Consultants LLC (“**KCC**”), which maintains offices at 2335 Alaska Avenue, El Segundo, CA

¹ Unless otherwise indicated, all capitalized terms herein shall have the meaning set forth in the Application.

1 90245. Except as otherwise noted, I have personal knowledge of the facts in this matter and, if
2 called upon to testify, could and would do so.

3 3. The Debtors and KCC entered into the KCC Agreement For Services (the
4 “**Engagement Agreement**”) dated April 13, 2014, a true and correct copy of which is attached
5 hereto as **Exhibit 1**.

6 4. In addition to complying with the Guidelines,² and subject to Court approval,
7 KCC will perform some or all of the following services as necessary in these Chapter 11 Cases:

8 a. provide the Debtors with consulting services regarding noticing, claims
9 management and reconciliation, plan solicitation, balloting, disbursements and any other
10 services agreed upon by the parties or otherwise required by applicable law, government
11 regulations or court rules or orders;

12 b. provide (i) computer software support and training in the use of the
13 support software as needed, (ii) KCC’s standard reports as well as consulting and
14 programming support for the Debtors’ requested reports, (iii) program modifications, (iv)
15 database modifications, and/or (v) other features and services in accordance with the fees
16 outlined in the pricing schedule provided to the Debtors; and

17 c. without limiting the generality of the foregoing, KCC may, upon request
18 by the Debtors, (i) provide a communications plan including, but not limited to,
19 preparation of communications materials, dissemination of information and a call center
20 staffed by KCC and/or (ii) provide confidential on-line workspaces or virtual data rooms
21 and publish documents to such workspaces or data rooms.

22 5. The scope of KCC’s services may be expanded from time to time, provided that
23 KCC and the Debtors mutually agree in writing to any such expansion and any corresponding
24 increase in fees.

25 6. Subject to this Court’s approval of the Application, KCC is willing to serve as the
26 Debtors’ claims and noticing agent and to perform the services described above. KCC will use

27
28 ² Available at: www.nvb.uscourts.gov/downloads/cm-ecf/guidelines-claims-agent.pdf.

1 reasonable efforts to coordinate with the Debtors' other retained professionals to avoid
2 unnecessary duplication of services.

3 7. KCC is a bankruptcy administrator that specializes in providing comprehensive
4 Chapter 11 administrative services including noticing, claims processing, balloting, and other
5 related services critical to the effective administration of Chapter 11 cases. Indeed, KCC has
6 developed efficient and cost-effective methods to properly handle the voluminous mailings
7 associated with the noticing, claims processing, and balloting portions of Chapter 11 cases to
8 ensure the orderly and fair treatment of creditors, equity security holders, and all parties in
9 interest. Further, KCC will work with the Clerk's office to ensure that such methodology
10 conforms with all of the Court's procedures, the Bankruptcy Code, the Bankruptcy Rules, the
11 Local Rules, and any orders entered by this Court.

12 8. KCC has substantial experience in matters of this size and complexity, and has
13 acted as the official claims, noticing, and balloting agent in many large bankruptcy cases in this
14 District and throughout the nation. *See, e.g., In re Global Access Corp.*, Case No. 13-51562-
15 MKN (Bankr. D. Nev. 2014); *In re Ahern Rentals, Inc.*, Case No. 11-53860-BTB (Bankr. D.
16 Nev. 2011); *In re Black Gaming, LLC*, Case No. 10-13301 (Bankr. D. Nev. 2010); *In re*
17 *Consolidated Resorts, Inc.*, Case No. 09-22035 (Bankr. D. Nev. 2009); *Stations Casinos, Inc.*,
18 09-52477-GWZ (Bankr. D. Nev. 2009); *In re Lake at Las Vegas Joint Venture, LLC*, Case No.
19 08-17814-LBR (Bankr. D. Nev.); *In re NewPage Corporation, et al.*, Case No. 11-12804 (Bankr.
20 D. Del. Sept. 7, 2011); *In re DSI Holdings, Inc., et al.*, Case No. 11-11941 (Bankr. D. Del.
21 2011); *In re Nebraska Book Co., Inc., et al.*, Case No. 11-12005 (Bankr. D. Del. 2011); *In re*
22 *Caribe Media, Inc., et al.*, Case No. 11-11387 (Bankr. D. Del. 2011); *In re Barnes Bay*
23 *Development, Ltd., et al.*, Case No. 11-10792 (Bankr. D. Del. 2011); *In re New Stream Secured*
24 *Capital, Inc., et al.*, Case No. 11-10753 (Bankr. D. Del. 2011); *In re Ultimate Acquisition*
25 *Partners, LP*, Case No. 11-10245 (Bankr. D. Del. 2011); *In re Javo Beverage Co., Inc.*, Case No.
26 11-10212 (Bankr. D. Del. 2011); *In re Appleseed's Intermediate Holdings LLC*, Case No. 11-
27 10160 (Bankr. D. Del. 2011); *In re Marco Polo Seatrade B.V., et al.*, Case No. 11-13634 (Bankr.
28 S.D.N.Y. 2011); *In re MSR Resort Golf Course LLC, et al.*, Case No. 11-10372 (Bankr. S.D.N.Y.

2011); *In re Vertis Holdings, Inc.*, Case No. 10-16170 (Bankr. S.D.N.Y. 2010); *In re American Media, Inc.*, Case No. 10-16140 (Bankr. S.D.N.Y. 2010); *In re Loehmann's Holdings, Inc.*, Case No. 10-16077 (Bankr. S.D.N.Y. 2010); *In re Archdiocese of Milwaukee*, Case No. 11-20059 (Bankr. E.D. Wisc. 2011); *In re Ecoly Int'l, Inc., et al. (a/k/a Sexy Hair Concepts, LLC)*, Case No. 10-25922 (Bankr. C.D. Cal. 2010).

9. The Debtors potentially have approximately 700,000 creditors and parties-in-interest and are seeking a number of expedited timelines, and therefore, the Debtors require a well-qualified and experienced noticing and claims agent. As demonstrated by KCC's experience in large chapter 11 cases, it is qualified and competent to serve as claims and noticing agent for the Debtors in these Chapter 11 Cases.

10. Based upon the disclosures herein and in the Engagement Agreement, KCC: (a) is a "disinterested person" as that term is defined in section 101(14), except that KCC was employed by the Debtors prior to the Petition Date as allowed by section 1107(b) of the Bankruptcy Code; and (b) does not hold or represent an interest materially adverse to this Debtors' bankruptcy estates and does not have any connection with the Debtors, their creditors, any other parties-in-interest in the Chapter 11 Cases, or with the Office of the United States Trustee or any person employed in the Office of the United States Trustee.

11. The following supplemental disclosures are made with respect to KCC's disinterestedness.

a. KCC is not and was not a creditor, an equity security holder, or an insider of any of the Debtors;

b. KCC is not and was not, within two years before the Petition Date, a director, officer, or employee of any of the Debtors; and

c. KCC has no interest materially adverse to the interests of the bankruptcy estates or of any class of creditors or equity security holders, either by reason of any direct or indirect relationship to, connection with, or interest in the Debtors or for any other reason.

12. In connection with its retention as claims and noticing agent, KCC represents,

1 among other things, that: (a) KCC will not consider itself employed by the United States
2 government and shall not seek any compensation from the United States government in its
3 capacity as the claims and noticing agent in this Bankruptcy Case; (b) by accepting employment
4 in these Chapter 11 Cases, KCC waives any rights to receive compensation from the United
5 States government in its capacity as the claims and noticing agent in these Chapter 11 Cases; (c)
6 in its capacity as the claims and noticing agent in these Chapter 11 Cases, KCC will not be an
7 agent of the United States and will not act on behalf of the United States; and (d) KCC will not
8 employ any past or present employees of the Debtors in connection with its work as the claims
9 and noticing agent in these Chapter 11 Cases.

10 13. KCC may have relationships with certain of the Debtors' creditors as vendors or
11 in connection with cases in which KCC serves or has served in a neutral capacity as claims,
12 noticing and balloting agent for another chapter 11 debtor or as class action settlement
13 administrator. To the best of my knowledge, such relationships are materially unrelated to these
14 Chapter 11 Cases. In addition, KCC personnel may have relationships with some of the Debtors'
15 creditors or other parties in interest. However, to the best of my knowledge, such relationships,
16 to the extent they exist, are of a personal financial nature and completely unrelated to these
17 Chapter 11 Cases. KCC has and will continue to represent clients in matters materially unrelated
18 to this chapter 11 case. In addition, KCC has had and will continue to have relationships in the
19 ordinary course of its business with certain vendors, professionals and other parties in interest
20 that may be involved in the Debtors' Chapter 11 Cases in unrelated matters.

21 14. KCC is an indirect subsidiary of Computershare Limited. Computershare Limited
22 is a financial services and technologies provider for the global securities industry. Within the
23 Computershare corporate structure, KCC operates as a separate, segregated business unit. As
24 such, any relationships that Computershare Limited and its affiliates maintain do not create an
25 interest of KCC that is materially adverse to the Debtors' estates or any class of creditors or
26 equity security holders.

27 15. To the extent the Debtors and/or KCC discover during the period of KCC's
28 employment any material facts bearing upon the matters described herein, the Debtors and/or

1 KCC promptly will inform the Court.

2 16. Finally, KCC does not hold or represent any interest that would impair KCC's
3 ability to objectively perform the services contemplated herein.

4 I declare under penalty of perjury of the laws of the United States that these facts are true
5 to the best of my knowledge and belief.

6 DATED this 14th day of April, 2014.

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8 EVAN J. GERSHBEIN
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